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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

COMMISSIONERS

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GARY PIERCE - Chairman
BOB STUMP
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AZ CORP COMMISSION
DOCKET CONTROL

APR 25 2011

DOCKETED BY

[Signature]

IN THE MATTER OF:

DOCKET NO. S-20757A-10-0373

RICHARD M. SCHMERMAN, individually and
d/b/a Diversified Financial and/or Diversified
Financial Planners, and Amy Schmerman, husband
and wife.

RESPONDENTS.

FIFTH
PROCEDURAL ORDER
(Continues Status Conference)

BY THE COMMISSION:

On September 9, 2010, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Richard M. Schmerman d/b/a Diversified Financial and/or Diversified Financial Planners ("Diversified") and Amy Schmerman, husband and wife (collectively "Respondents"), in which the Division alleged multiple violations of the Arizona Securities Act ("Act") and the Investment Management Act ("IM Act") in connection with Respondent Richard A. Schmerman's practices in business and securities matters which allegedly involved mishandling of client funds and misrepresentation.

The Respondents were duly served with copies of the Notice.

On September 20, 2010, a request for hearing was filed by the Respondents.

On September 22, 2010, by Procedural Order, a pre-hearing conference was scheduled on October 21, 2010.

On October 21, 2010, at the pre-hearing conference, the Division and Respondents appeared through counsel. The parties are discussing a possible resolution of the issues raised by the Notice, but have agreed in the interim that a status conference be scheduled in approximately 60 days.

On October 22, 2010, by Procedural Order, a status conference was scheduled on December 16, 2010.

1 On December 16, 2010, the Division and Respondents appeared through counsel at the status
2 conference. The parties were continuing to discuss a resolution of the proceeding and in the interim,
3 the Division requested that another status conference be scheduled in approximately 60 days.

4 On December 16, 2010, by Procedural Order, a status conference was scheduled on February
5 23, 2011.

6 On February 22, 2011, the Division and Respondents filed a Joint Stipulation to Continue the
7 status conference for at least 60 days in order that the parties could continue to review matters and
8 attempt to resolve the issues raised by the Notice.

9 On February 23, 2011, by Procedural Order, the status conference was continued from
10 February 23, 2011, to April 25, 2011.

11 On April 22, 2011, the Division and Respondents filed another Joint Stipulation to Continue
12 the status conference for at least 60 days to allow the parties to continue to work towards a settlement
13 of the issues raised by the Notice.

14 Accordingly, the status conference should be continued.

15 IT IS THEREFORE ORDERED that the **status conference scheduled on April 25, 2011,**
16 **shall be continued to July 7, 2011, at 10:00 a.m.,** at the Commission's offices, 1200 West
17 Washington Street, **Hearing Room No. 1,** Phoenix, Arizona.

18 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
19 Communications) applies to this proceeding as the matter is now set for public hearing.

20 IT IS FURTHER ORDERED that withdrawal or representation must be made in compliance
21 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
22 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances
23 at all hearings and procedural conferences, as well as all Open Meetings for which the matter is
24 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the
25 Administrative Law Judge or the Commission.

26 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
27 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro*
28 *hac vice*.

1 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
2 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

3 DATED this 25TH day of April, 2011.

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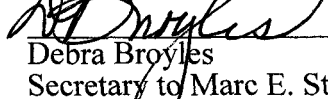
7 MARC E. STERN
8 ADMINISTRATIVE LAW JUDGE
9

10 Copies of the foregoing mailed/delivered
11 this 25th day of April, 2011 to:

12 Alan Baskin
13 BADE & BASKIN, PLC
14 80 East Rio Salado Parkway, Suite 511
15 Tempe, AZ 85281
16 Attorney for Respondents

17 Matt Neubert, Director
18 Securities Division
19 ARIZONA CORPORATION COMMISSION
20 1300 West Washington Street
21 Phoenix, AZ 85007

22 ARIZONA REPORTING SERVICE, INC.
23 2200 North Central Avenue, Suite 502
24 Phoenix, AZ 85004

25 By: 
26 Debra Broyles
27 Secretary to Marc E. Stern
28